

**VIRGINIA GAS & OIL BOARD
WORK COMMITTEE MEETING**

OCTOBER 23, 2008

The following is a summary of the October 23, 2008 Committee Meeting:

Members present: Chairman Bruce Prather, Katie Dye, Peggy Barber and Bill Harris. Members Mary Quillen and Donnie Ratliff were absent from the meeting. Also present were David Asbury and Gloria Clark, Office of the Attorney General.

The meeting was called to order by Chairman Prather at 2 PM.

The Committee continued to discuss the recommendation previously submitted to the full Board regarding a statute change which would require operators of coalbed methane wells to control a minimum of 25 percent of the surface, coal and gas rights before requesting the establishment or pooling of a unit before the Board.

Extensive discussion was had regarding the escrow account and auditing of this account by the Board. Discussion was also had regarding AFE's and use by companies for reporting post production costs.

Director Asbury discussed Chairman Wampler's response to the Buchanan County Board of Supervisors regarding post production costs.

There being no further business to discuss, motion was made and seconded that meeting be adjourned.

The next meeting will be held on November 20, 2008 at 2 PM

Meeting was adjourned at 4:05 PM.

Respectfully submitted,

Gloria Clark
October 31, 2008